

## ***PN 124 - 01/20/2006 - Calendar Days of Contract Time for Opening to Unrestricted Traffic: A + B Bidding- Proposal Note***

### **Description:**

As part of section 103.01 of C&MS, "Award and Execution of Contract - Consideration of Proposals" this contract requires the Contractor to stipulate the number of "Calendar Days of Contract Time for Opening to Unrestricted Traffic." The bidder shall establish the number of calendar days to complete all work necessary to open [\_\_\_\_\_]1 to unrestricted traffic, which shall include all work, inclusive of safety items, necessary to open all lanes to unrestricted traffic. This number of calendar days shall be shown in the proposal in the list of bid items under Part B [line \_\_, Page \_\_]2. The extended price (amount column) shall not be paid to the Contractor as a part of the total payment for this project.

### **Maximum Number of Days:**

[\_\_\_\_\_]3 days is the maximum number of calendar days that will be considered for the number of "Calendar Days of Contract Time for Opening to Unrestricted Traffic."

### **Consideration of Bids:**

The product of the specified number of calendar days multiplied by the Disincentive of [\$\_\_\_\_\_]4 per day shall become part of the Contractor's total bid for the purpose of determining the low bidder only.

Each bid submitted shall contain the total of the following two parts:

Part A - Dollar amount of the items of work.

Part B - Product of the number of "Calendar Days of Contract Time for Opening to Unrestricted Traffic" multiplied by [\$\_\_\_\_\_]4. Bidder's Total = Part A + Part B

The lowest bidder's total of these two parts, as verified by the Department, will determine the lowest bid for award consideration.

### **Total Contract Amount:**

The product of the number of calendar days multiplied by [\$\_\_\_\_\_]4 (the Part B Total) shall not be used or paid to the Contractor as part of the final payment. The total contract amount will be based on the items of work as totaled in Part A, any adjustments as determined by the provision of Section 100 of the C&MS, any earned incentive and any assessment of disincentive and/or liquidated damages.

It will not be necessary for the proposal guaranty to include the amount of Part B. The Part B total will not be used in the calculation to determine the Contractor's net prequalification amount.

The net classification for this project was determined using the total of Part A.

In C&MS 624, Mobilization, Subsection 624.04, Basis of Payment, the total original contract amount will be only the total of Part A. The subcontracting limitation will be based on the total of Part A. Any other reference in the plans and specifications to the total contract amount will be considered to be the total of only Part A, and will not include Part B (the product of the number of "Calendar Days of Contract Time for Opening to Unrestricted Traffic" multiplied by [\$\_\_\_\_\_]4).

### **Contract Time:**

The number of calendar days to complete the work to be performed under this contract for opening to unrestricted traffic will be that specified by the Contractor in the Proposal for the bid item of "Calendar Days of Contract Time for Opening to Unrestricted Traffic" which days, including any days based on an approved extension of contract time, shall be the end of opening to unrestricted traffic time. The final project completion

will be an additional [\_\_\_\_]5 days. The date for the beginning of the contract time will be the date traffic is restricted but no later than [\_\_\_\_]6. The calendar days for opening to unrestricted traffic shall NOT be longer than [\_\_\_\_]3 days. No adjustment of the contract time date will be allowed for delays in execution of the contract caused by the Contractor. Examples of such Contractor caused delays include, but are not limited to: a) failure to provide insurance, b) failure to secure the required percentage of approved DBE subcontractors.

Because of the interference and inconvenience to motorists, it is essential that this work be completed as quickly as possible once work begins. The Department has determined that this interference and inconvenience will result in a disincentive of [\$\_\_\_\_]4 per calendar day which the Contractor's established contract opening to unrestricted traffic time has been used as a basis for comparison of bids and award of contract. Should the Contractor fail to open to unrestricted traffic in the time stipulated by the Contractor in the proposal or within such time granted by an approved extension of time, the Contractor shall be assessed a disincentive of [\$\_\_\_\_]4 per calendar day which will continue to be assessed until all lanes, ramps, and bridges are open to unrestricted traffic. All work inclusive of safety items shall be completed before opening to unrestricted traffic as defined above.

The Contractor will be paid an incentive of [\$ \_\_\_\_]4 for each calendar day the project is opened to unrestricted traffic before the published open to unrestricted traffic date, not to exceed an amount equal to [\$ \_\_\_\_]7.

If the Contractor fails to complete the project by final project completion, liquidated damages will be assessed in accordance with Section 108.07 of the C&MS. However, if a disincentive period extends beyond final project completion, the Contractor will be assessed either the disincentive amount or the liquidated damages specified in Section 108.07, whichever is greater, but shall not be assessed the sum of both.

In the event the Contractor impedes the flow of unrestricted traffic subsequent to the opening to unrestricted traffic, the Contractor shall be assessed the daily disincentive amount for each day traffic is restricted.

Extension of contract time will be for calendar days and calculated in accordance with the policy on Postponement of Contract Completion Dates and Waivers of Liquidated Damages, policy number 512-001 (P), part I.D.

No extensions of time will be granted for labor disputes unless it can be shown that such disputes are industry wide.

**Conflicts:**

To the extent that there are conflicts between the Special Clauses for A+B Contracting and the Construction and Materials Specifications, the Special Clauses shall govern.

# ***PN 124 - 01/20/2006 - Calendar Days of Contract Time for Opening to Unrestricted Traffic: A + B Bidding- Proposal Note - Designer Notes***

For use with the 2005 C&MS

## **Purpose and Benefits**

Cost-plus-time bidding, more commonly referred to as the A+B method, involves time, with an associated cost, to determine the low bidder. Under the A+B method, each bid submitted consists of two components:

- The “A” component is the traditional bid for the contract items and is the dollar amount for all work to be performed under the contract.
- The “B” component is a “bid” of the total number of calendar days required to complete the project, as estimated by the bidder, multiplied by a factor set by the owner prior to the bid. (Calendar days are used to avoid any potential for controversy with work days.)

The bid for award consideration is based on a combination of the bid for the contract items and the associated cost of time, according to the formula:

$$(A) + (B \times \text{Disincentive/Day})$$

This formula is used to determine the lowest bid for award and is not used to determine payment to the Contractor. The Contractor’s estimate for the completion of critical work bidding method can be an effective technique to significantly reduce these impacts. (CPM scheduling is a requirement for A+B Contracts over 60 days in length.)

Time Savings: A+B Bidding is used to motivate the Contractor by minimizing construction time on high priority and high usage projects. This encourages Contractors to finish early by (1) offering bonuses for early completion and (2) assessing disincentives for late completion.

Project Scheduling: A + B Bidding allows the Department to have the project schedule bid.

## **Criteria for Selection**

- The project has traffic restrictions, lane closures, or detours that result in high road user delay costs.
- The project has safety concerns or significant negative impacts to the local community or economy during construction that warrant expediting the project.
- The project is relatively free of utility conflicts, design uncertainties, or right-of-way issues that may impact the award date or critical project scheduling.
- The project has generated sufficient public interest that demands completion of the project as quickly as possible.
- The Department seeks Contractor expertise to schedule and facilitate an early completion.

## **Project Types**

All projects

## **Requirements / Conditions for use**

1. Must include PN 107 (CPM schedule).
2. Do not include PN 103 or PN 104 (Value Engineering Change Proposal)
3. A Prebid Meeting may be held at the Districts discretion.

## **Note Variables that must be filled in:**

1. Description of what has to be open to unrestricted traffic
2. Line and page number of Part B in proposal
3. Maximum Calendar Days
4. Disincentive

5. Additional Calendar days for completion
6. Possible start date window
7. Maximum incentive amount